

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Pittsfield Township Housing Commission	County Washtenaw
Fiscal Year End December 31, 2006	Opinion Date February 21, 2007	Date Audit Report Submitted to State May 30, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

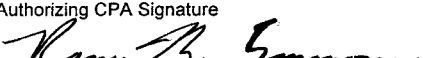
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Post, Smythe, Lutz and Ziel of Plymouth LLP		Telephone Number 734-453-8770	
Street Address 1034 W. Ann Arbor Trail		City Plymouth	State MI
		Zip 48170	
Authorizing CPA Signature 		Printed Name Rana M. Emmons, CPA	
		License Number 1101022716	

**PITTSFIELD CHARTER TOWNSHIP
HOUSING COMMISSION
ANN ARBOR, MICHIGAN
HUD PROJECT NO. MI28-0013-048
ANNUAL CONTRIBUTIONS CONTRACT C-3200
REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED DECEMBER 31, 2006**

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION

HUD PROJECT NO. MI28-0013-048

December 31, 2006

Table of Contents

FINANCIAL SECTION

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-4
Basic Financial Statements:	
Statement of Net Assets.....	5
Statement of Activities.....	6
Statement of Cash Flows	7
Notes to Financial Statements.....	8-9

SUPPLEMENTARY INFORMATION

Statement of Profit and Loss	10-12
Computation of Surplus Cash, Distributions and Residual Receipts	13
Schedule of Funds in Financial Institutions.....	14

SINGLE AUDIT SECTION

Independent Auditor's Report on Schedule of Expenditures of Federal Awards	15
Schedule of Expenditures of Federal Awards.....	16
Independent Auditor's Report on Compliance and on Internal Control Structure Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	17-18
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	19-20
Schedule of Findings and Questioned Costs	21
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Fair Housing and Non-Discrimination	22

POST, SMYTHE, LUTZ and ZIEL

of Plymouth LLP
Certified Public Accountants

PLYMOUTH

1034 WEST ANN ARBOR TRAIL
P.O. BOX 5520
PLYMOUTH, MI 48170-1502

TELEPHONE (734) 453-8770
FAX (734) 453-0312

Dennis M. Siegner, C.P.A., C.V.A.
David R. Williamson, C.P.A.
Jane F. Wang, C.P.A.
Joseph N. Elder, C.P.A.
Rana M. Emmons, C.P.A.

Jennifer A. Galofaro, C.P.A., C.V.A.
Susan H. Bertram, C.P.A.
Grace Huang, C.P.A.

BLOOMFIELD HILLS

3707 WEST MAPLE ROAD
SUITE 101
BLOOMFIELD HILLS, MI 48301-3212

TELEPHONE (248) 644-9125
FAX (248) 593-1986

February 21, 2007

Independent Auditor's Report

Board of Commissioners
Pittsfield Charter Township Housing Commission
Ann Arbor, Michigan

We have audited the accompanying financial statements of the Pittsfield Charter Township Housing Commission, a component unit of Pittsfield Charter Township, as of and for the year ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pittsfield Charter Township Housing Commission as of December 31, 2006, and the changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued a report dated February 21, 2007, on our consideration of Pittsfield Charter Township Housing Commission's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental data identified in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Pittsfield Charter Township Housing Commission. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully,

A handwritten signature in black ink that reads "Post, Smythe, Lutz + Ziel of Plymouth". The signature is written in a cursive, flowing style.

Post, Smythe, Lutz and Ziel of Plymouth LLP
Certified Public Accountants

Management's Discussion and Analysis

As management of the Pittsfield Charter Township Housing Commission, we offer readers of the Pittsfield Charter Township Housing Commission's financial statements this narrative overview and analysis of the financial activities of the Pittsfield Charter Township Housing Commission for the fiscal year ended December 31, 2006.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Pittsfield Charter Township Housing Commission's basic financial statements. The Pittsfield Charter Township Housing Commission's basic financial statements are comprised of the Statement of Net Assets, Statement of Activities, Statement of Cash Flows, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Pittsfield Charter Township Housing Commission recognizes and reports transactions and balances using proprietary fund accounting and is reported as an enterprise fund. Enterprise funds are used to report business-type activities which account for activities whose costs are wholly or partially funded by fees and charges.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information as required by the U.S. Department of Housing and Urban Development for public housing authorities. The supplementary information can be found on pages 10-14 of this report.

Financial Analysis

Fund equity may serve over time as a useful indicator of a government's financial position. In the case of the Pittsfield Charter Township Housing Commission, assets exceeded liabilities by \$1,900 at the close of the most recent fiscal year. All of the Housing Commission's fund equity may be used to meet the Commission's ongoing obligations to citizens and creditors.

The Housing Commission's fund equity decreased by \$85,252 during the current fiscal year. This decrease is a result of a reconciling payment to the U.S. Department of Housing and Urban Development (H.U.D.) in the amount of \$43,853 and a decrease in monthly H.U.D. revenues in 2006.

Pittsfield Charter Township Housing Commission's Statement of
Net Assets:

	2006	2005
Current and Other Assets	\$ 106,271	\$ 128,512
Capital Assets	-	-
Total Assets	<u>\$ 106,271</u>	<u>\$ 128,512</u>
Current Liabilities	\$ 104,371	\$ 41,360
Net Assets-Restricted	<u>\$ 1,900</u>	<u>\$ 87,152</u>

Pittsfield Charter Township Housing Commission's Statement of
Activities:

	2006	2005
Operating Revenues:		
HUD Contributions	\$ 991,233	\$ 1,077,402
Other	-	41,338
Total Operating Revenues	<u>991,233</u>	<u>1,118,740</u>
Operating Expenses:		
Administrative and General	43,710	43,685
Housing Assistance Payments	988,536	962,574
Tenant Services	47,834	41,567
Total Operating Expenses	<u>1,080,080</u>	<u>1,047,826</u>
Operating Income (Loss)	(88,847)	70,914
Nonoperating Revenues:		
Interest Income	<u>3,595</u>	<u>5,965</u>
Change in Net Assets	(85,252)	76,879
Net Assets - Beginning	87,152	10,273
Net Assets - Ending	<u>\$ 1,900</u>	<u>\$ 87,152</u>

Requests for Information

This financial report is designed to provide a general overview of the Pittsfield Charter Township Housing Commission's finances for all those with an interest in the Housing Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director of the Pittsfield Charter Township Housing Commission, 6201 W. Michigan Avenue, Ann Arbor, Michigan 48108.

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION
PROJECT NO. MI28-0013-048
STATEMENT OF NET ASSETS
DECEMBER 31, 2006

ASSETS

Cash and Cash Equivalents	\$ 106,271
---------------------------	------------

LIABILITIES

Accounts Payable	21,651
Due to Township	82,720
Total Liabilities	<u>104,371</u>

NET ASSETS-Restricted	\$ <u><u>1,900</u></u>
-----------------------	------------------------

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION
PROJECT MI28-0013-048
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

Expenses:

Housing Assistance Payments	\$ 988,536
Tenant Services	47,834
Administrative	<u>43,710</u>
Total Expenses	<u>1,080,080</u>

Program Revenues:

Operating Contributions - HUD	<u>991,233</u>
-------------------------------	----------------

Net Program Revenues	(88,847)
----------------------	----------

General Revenues:

Interest Income	<u>3,595</u>
-----------------	--------------

Change in Net Assets	(85,252)
----------------------	----------

Net Assets - January 1	<u>87,152</u>
------------------------	---------------

Net Assets - December 31	\$ <u><u>1,900</u></u>
--------------------------	------------------------

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION
PROJECT MI28-0013-048
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

Cash Flows from Operating Activities:

Subsidy from Federal Housing Program	\$ 1,078,245
Payments for Housing Assistance	(988,536)
Payments for Tenant Services	(15,100)
Payments for Professional Services	(2,350)

Net Cash Provided (Used) by Operating Activities	<u>72,259</u>
--	---------------

Cash Flows from Investing Activities:

Interest Earned	<u>3,595</u>
-----------------	--------------

Net Increase (Decrease) in Cash and Cash Equivalents	75,854
--	--------

Cash and Cash Equivalents - January 1	<u>30,417</u>
---------------------------------------	---------------

Cash and Cash Equivalents - December 31	<u><u>\$ 106,271</u></u>
---	--------------------------

Reconciliation of Operating Income (Loss) to

Net Cash Provided (Used) by Operating Activities:

Operating Income (Loss)	\$ (88,847)
-------------------------	-------------

Adjustments to reconcile operating income (loss)

to net cash provided (used) by operating activities:

(Increase) Decrease in Due from HUD	87,012
-------------------------------------	--------

(Increase) Decrease in Prepaid Expenditures	11,083
---	--------

Increase (Decrease) in Accounts Payable	21,651
---	--------

Increase (Decrease) in Due to Township	41,360
--	--------

Net Cash Provided (Used) by Operating Activities	<u><u>\$ 72,259</u></u>
--	-------------------------

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION
HUD PROJECT NO. MI28-0013-048
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Housing Commission follows accounting procedures outlined in the U.S. Department of Housing and Urban Development Low-Rent Housing Accounting Handbook HM 7510.1.

Cash and Cash Equivalents

Cash and cash equivalents are unrestricted cash in bank and liquid investments with maturities of 90 days or less.

Risk Management

The Housing Commission is exposed to various risks of loss related to liability, employee injury and other circumstances. The Housing Commission has purchased property liability and workers compensation coverage through commercial insurance carriers. There were no significant reductions in insurance coverage from the prior year and no insurance settlements have exceeded coverage.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - OTHER INFORMATION

Deposits

Under State law, the Housing Commission is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury and commercial paper with certain investment grades. Custodial Credit Risk is the risk that in the event of a bank failure, the Housing Commission's deposits may not be recovered. Neither State law nor the Housing Commission's investment policy requires consideration of custodial credit risk. As of December 31, 2006, the Housing Commission's book balance of its deposits was \$106,271, as was the bank balance, which was exposed to custodial credit risk, as follows:

Amounts Insured by F.D.I.C. \$ 106,271

Credit Risk. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Authority's investment policy does not further limit its investment choices.

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION
HUD PROJECT NO. MI28-0013-048
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 2 - OTHER INFORMATION - Continued

Deposits - Continued

Interest Rate Risk. The Housing Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Housing Commission's deposits and investments consisted of a Business Money Market Checking account in the amount of \$106,271.

Concentration of Credit Risk. The Housing Commission's investment policy places no limit on the amount the Housing Commission may invest in any one issuer. The Housing Commission does not have more than 5% of its total investments in any single issuer.

SUPPLEMENTARY INFORMATION

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION

PROJECT NO. MI28-0013-048

STATEMENT OF PROFIT AND LOSS

(HUD-92410, OMB NO. 2502-0052)

FOR THE YEAR ENDED DECEMBER 31, 2006

Part I

Description of Account	Acct. No.	Amount
Rental Income 5100		
Apartments or Member Carrying Charges (Coops)	5120	\$
Tenant Assistance Payments	5121	\$ 991,233
Furniture and Equipment	5130	\$
Stores and Commercial	5140	\$
Garage and Parking Spaces	5170	\$
Flexible Subsidy Income	5180	\$
Miscellaneous (specify)	5190	\$
Total Rent Revenue Potential at 100% Occupancy		\$ 991,233
Vacancies 5200		
Apartments	5220	()
Furniture and Equipment	5230	()
Stores and Commercial	5240	()
Garage and Parking Spaces	5270	()
Miscellaneous (specify)	5290	()
Total Vacancies		()
Net Rental Revenue (Rent Revenue Less Vacancies)		\$ 991,233
Elderly and Congregate Services Income 5300		
Total Service Income (Schedule Attached)	5300	\$
Financial Revenue 5400		
Interest Income - Project Operations	5410	\$
Income from Investments-Residual Receipts	5430	\$
Income from Investments-Reserve for Replacement	5440	\$
Income from Investments-Miscellaneous	5490	\$ 3,595
Total Financial Revenue		\$ 3,595
Other Revenue 5900		
Laundry and Vending	5910	\$
NSF and Late Charges	5920	\$
Damages and Cleaning Fees	5930	\$
Forfeited Tenant Security Deposits	5940	\$
Other Revenue (specify)	5990	\$ -
Total Other Revenue		\$ -
Total Revenue		\$ 994,828
Administrative Expenses 6200/6300		
Advertising	6210	\$
Other Administrative Expense	6250	\$ -
Office Salaries	6310	\$ 23,447
Office Supplies	6311	\$
Office or Model Apartment Rent	6312	\$ 14,100
Management	6320	\$
Manager or Superintendent Salaries	6330	\$
Manager or Superintendent Rent Free Unit	6331	\$
Legal Expenses (Project)	6340	\$
Auditing Expenses (Project)	6350	\$ 2,350
Bookkeeping Fees/Accounting Services	6351	\$
Telephone and Answering Service	6360	\$ 150
Bad Debts	6370	\$
Miscellaneous Administrative Expenses (specify)	6390	\$
Total Administrative Expenses		\$ 40,047
Utilities Expense 6400		
Fuel Oil/Coal	6420	\$
Electricity (Light and Misc. Power)	6450	\$
Water	6451	\$
Gas	6452	\$
Sewer	6453	\$
Total Utilities Expense		\$ -

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION

PROJECT NO. MI28-0013-048

STATEMENT OF PROFIT AND LOSS

(HUD-92410, OMB NO. 2502-0052)

FOR THE YEAR ENDED DECEMBER 31, 2006

(continued)

Description of Account	Acct. No.	Amount
Operating and Maintenance Expenses 6500		
Janitor and Cleaning Payroll	6510	\$
Janitor and Cleaning Supplies	6515	\$
Janitor and Cleaning Contract	6517	\$
Exterminating Payroll/Contract	6519	\$
Exterminating Supplies	6520	\$
Garbage and Trash Removal	6525	\$
Security Payroll/Contract	6530	\$
Grounds Payroll	6535	\$
Grounds Supplies	6536	\$
Grounds Contract	6537	\$
Repairs Payroll	6540	\$
Repairs Material	6541	\$
Repairs Contract	6542	\$
Elevator Maintenance/Contract	6545	\$
Heating/Cooling Repairs and Maintenance	6546	\$
Swimming Pool Maintenance/Contract	6547	\$
Snow Removal	6548	\$
Decorating Payroll/Contract	6560	\$
Decorating Supplies	6561	\$
Other - Housing Assistance Payments	6570	\$ 988,536
Miscellaneous Operating and Maintenance Expenses	6590	\$ -
Total Operating and Maintenance Expenses		\$ 988,536
Taxes and Insurance 6700		
Real Estate Taxes	6710	\$
Payroll Taxes (FICA)	6711	\$
Miscellaneous Taxes, Licenses and Permits	6719	\$
Property and Liability Insurance (Hazard)	6720	\$ 3,663
Fidelity Bond Insurance	6721	\$
Workmen's Compensation	6722	\$
Health Insurance and Other Employee Benefits	6723	\$
Other Insurance (specify)	6729	\$
Total Taxes and Insurance		\$ 3,663
Financial Expenses 6800		
Interest on Bonds Payable	6810	\$
Interest on Mortgage Payable	6820	\$
Interest on Notes Payable (Long-Term)	6830	\$
Interest on Notes Payable (Short Term)	6840	\$
Mortgage Insurance Premium/Service Charge	6850	\$
Miscellaneous Financial Expenses	6890	\$
Total Financial Expenses		\$ -
Elderly and Congregate Service Expenses 6900		
Total Service Expenses - Meals & Transportation	6900	\$ 47,834
Total Cost of Operations Before Depreciation		\$ 1,080,080
Profit (Loss) Before Depreciation		\$ (85,252)
Depreciation (Total)-6600 (specify)	6600	\$ -
Operating Profit or (Loss)		\$ (85,252)
Corporate or Mortgagor Entity Expenses 7100		
Officer Salaries	7110	\$
Legal Expenses (Entity)	7120	\$
Taxes (Federal-State-Entity)	7130-32	\$
Other Expenses (Entity)	7190	\$
Total Corporate Expenses		\$ -
Net Profit or (Loss)		\$ (85,252)

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION
PROJECT NO. MI28-0013-048
STATEMENT OF PROFIT AND LOSS
(HUD-92410, OMB NO. 2502-0052)
FOR THE YEAR ENDED DECEMBER 31, 2006

(continued)

Part II

1. Total principal payments required under the mortgage, even if payments under a Workout Agreement are less or more than those required under the mortgage.	\$ -
2. Replacement Reserve deposits required by the Regulatory Agreement or Amendments thereto, even if payments may be temporarily suspended or waived.	\$ -
3. Replacement or Painting Reserve releases which are included as expense items on this Profit and Loss statement.	\$ -
4. Project Improvement Reserve Releases under the Flexible Subsidy Program that are included as expense items on this Profit and Loss Statement.	\$ -

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION
PROJECT NO. MI28-0013-048
COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS AND RESIDUAL RECEIPTS (HUD 93486)
DECEMBER 31, 2006

PART A - COMPUTE SURPLUS CASH			
	1. Cash (Accounts 1110, 1120, 1191, 1192)	\$ 106,271	
	2. Tenant Subsidy Vouchers Due for Period Covered by Financial Statement	\$	
	3. Other (describe)	\$ 0	
(a) Total Cash (Add Lines 1, 2, and 3)			
	4. Accrued Mortgage Interest Payable	\$	
	5. Delinquent Mortgage Principal Payments	\$	
	6. Delinquent Deposits to Reserve for Replacements	\$	
	7. Accounts Payable (due within 30 days)	\$ 21,651	
	8. Loans and Notes Payable- (due within 30 days)	\$	
	9. Deficient Tax Insurance or MIP Escrow Deposits	\$	
	10. Accrued Expenses (not escrowed)	\$	
	11. Prepaid Rents (Account 2210)	\$	
	12. Tenant Security Deposits Liability (Account 2191)	\$	
	13. Other (Describe) Amount Due to Township	\$ 82,720	
(b) Less Total Current Obligations (Add Lines 4 through 13)			\$ 104,371
(c) Surplus Cash (Deficiency) (Line (a) minus Line (b))			\$ 1,900
PART B-COMPUTE DISTRIBUTION TO OWNERS AND REQ'D DEPOSIT TO RESIDUAL RECEIPTS			
1. Surplus Cash			\$
	2a. Annual Distribution Earned During Fiscal Period Covered by the Statement	\$	
	2b. Distribution Accrued and Unpaid as of the End of the Prior Fiscal Period	\$	
	2c. Distributions Paid During Fiscal Period Covered by Statement	\$	
	3. Amount to be Carried on Balance Sheet as Distribution Earned but Unpaid (Line 2a plus 2b minus 2c)	\$	
4. Amount Available for Distribution During Next Fiscal Period			\$
5. Deposit Due Residual Receipts (Must be deposited with Mortgagee within 60 days after Fiscal Period ends)			\$
PREPARED BY		REVIEWED BY	
Loan Technician		Loan Servicer	
Date		Date	

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION
HUD PROJECT NO. MI28-0013-048
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2006

Schedule of Funds in Financial Institutions as of December 31, 2006

Funds Held in Regular Operating Account:

Comerica Bank (Interest Checking)	<u>\$ 106,271</u>
-----------------------------------	-------------------

SINGLE AUDIT SECTION

POST, SMYTHE, LUTZ and ZIEL

of Plymouth LLP
Certified Public Accountants

PLYMOUTH

1034 WEST ANN ARBOR TRAIL
P.O. BOX 5520
PLYMOUTH, MI 48170-1502

TELEPHONE (734) 453-8770
FAX (734) 453-0312

Dennis M. Siegner, C.P.A., C.V.A.
David R. Williamson, C.P.A.
Jane F. Wang, C.P.A.
Joseph N. Elder, C.P.A.
Rana M. Emmons, C.P.A.

Jennifer A. Galofaro, C.P.A., C.V.A.
Susan H. Bertram, C.P.A.
Grace Huang, C.P.A.

BLOOMFIELD HILLS

3707 WEST MAPLE ROAD
SUITE 101
BLOOMFIELD HILLS, MI 48301-3212

TELEPHONE (248) 644-9125
FAX (248) 593-1986

February 21, 2007

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Board of Commissioners
Pittsfield Charter Township
Housing Commission
Ann Arbor, Michigan

We have audited the financial statements of the Pittsfield Charter Township Housing Commission as of and for the year ended December 31, 2006, and have issued our report thereon dated February 21, 2007. These financial statements are the responsibility of the Pittsfield Charter Township Housing Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts used and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Pittsfield Charter Township Housing Commission taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully,

Post, Smythe, Lutz and Ziel of Plymouth LLP
Certified Public Accountants

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION
HUD PROJECT NO. MI28-0013-048
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2006

U.S. Department of Housing and Urban Development

C.F.D.A. Number 14-156

Annual Contributions Contract C-3200
Project MI28-0013-048

MAJOR PROGRAMS

	<u>Expenditures</u>
FEDERAL ASSISTANCE	
Housing Assistance Payments	<u>\$ 991,233</u>

POST, SMYTHE, LUTZ and ZIEL

of Plymouth LLP
Certified Public Accountants

PLYMOUTH

1034 WEST ANN ARBOR TRAIL
P.O. BOX 5520
PLYMOUTH, MI 48170-1502

TELEPHONE (734) 453-8770
FAX (734) 453-0312

Dennis M. Siegner, C.P.A., C.V.A.
David R. Williamson, C.P.A.
Jane F. Wang, C.P.A.
Joseph N. Elder, C.P.A.
Rana M. Emmons, C.P.A.

Jennifer A. Galofaro, C.P.A., C.V.A.
Susan H. Bertram, C.P.A.
Grace Huang, C.P.A.

BLOOMFIELD HILLS

3707 WEST MAPLE ROAD
SUITE 101
BLOOMFIELD HILLS, MI 48301-3212

TELEPHONE (248) 644-9125
FAX (248) 593-1986

February 21, 2007

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Pittsfield Charter Township
Housing Commission
Ann Arbor, Michigan

We have audited the financial statements of the Pittsfield Charter Township Housing Commission as of and for the year ended December 31, 2006, and have issued our report thereon dated February 21, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components

does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Commissioners and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Respectfully,

A handwritten signature in black ink that reads "Post, Smythe, Lutz and Ziel of Plymouth". The signature is written in a cursive, flowing style.

Post, Smythe, Lutz and Ziel of Plymouth LLP
Certified Public Accountants

POST, SMYTHE, LUTZ and ZIEL

of Plymouth LLP
Certified Public Accountants

PLYMOUTH

1034 WEST ANN ARBOR TRAIL
P.O. BOX 5520
PLYMOUTH, MI 48170-1502

TELEPHONE (734) 453-8770
FAX (734) 453-0312

Dennis M. Siegner, C.P.A., C.V.A.
David R. Williamson, C.P.A.
Jane F. Wang, C.P.A.
Joseph N. Elder, C.P.A.
Rana M. Emmons, C.P.A.

Jennifer A. Galofaro, C.P.A., C.V.A.
Susan H. Bertram, C.P.A.
Grace Huang, C.P.A.

BLOOMFIELD HILLS

3707 WEST MAPLE ROAD
SUITE 101
BLOOMFIELD HILLS, MI 48301-3212

TELEPHONE (248) 644-9125
FAX (248) 593-1986

February 21, 2007

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Pittsfield Charter Township
Housing Commission
Ann Arbor, Michigan

Compliance

We have audited the compliance of the Pittsfield Charter Township Housing Commission with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, Pittsfield Charter Township Housing Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of Pittsfield Charter Township Housing Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Commissioners, and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Respectfully,



Post, Smythe, Lutz and Ziel of Plymouth LLP
Certified Public Accountants

PITTSFIELD CHARTER TOWNSHIP HOUSING COMMISSION
HUD PROJECT NO. MI 28-0013-048
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

 Material weakness(es) identified? Yes X No

 Reportable condition(s) identified
 not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements
noted? Yes X No

Federal Awards

Internal Control over major programs:

 Material weakness(es) identified? Yes X No

 Reportable condition(s) identified
 not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Circular A-133,
Section .510(a)? Yes X No

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14-156	U.S. Department of HUD

Dollar threshold used to distinguish
Between Type A and Type B programs \$ 300,000

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings

No Findings Reported.

Section III – Federal Award Findings and Questioned Costs

No Findings Reported.

POST, SMYTHE, LUTZ and ZIEL

of Plymouth LLP
Certified Public Accountants

PLYMOUTH

1034 WEST ANN ARBOR TRAIL
P.O. BOX 5520
PLYMOUTH, MI 48170-1502

TELEPHONE (734) 453-8770
FAX (734) 453-0312

Dennis M. Siegner, C.P.A., C.V.A.
David R. Williamson, C.P.A.
Jane F. Wang, C.P.A.
Joseph N. Elder, C.P.A.
Rana M. Emmons, C.P.A.

Jennifer A. Galofaro, C.P.A., C.V.A.
Susan H. Bertram, C.P.A.
Grace Huang, C.P.A.

BLOOMFIELD HILLS

3707 WEST MAPLE ROAD
SUITE 101
BLOOMFIELD HILLS, MI 48301-3212

TELEPHONE (248) 644-9125
FAX (248) 593-1986

February 21, 2007

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO FAIR HOUSING AND NON-DISCRIMINATION

Board of Commissioners
Pittsfield Charter Township
Housing Commission
Ann Arbor, Michigan

We have audited the financial statements of the Pittsfield Charter Township Housing Commission as of and for the year ended December 31, 2006, and have issued our report thereon dated February 21, 2007.

We have applied procedures to test the Pittsfield Charter Township Housing Commission's compliance with Fair Housing and Non-Discrimination requirements applicable to its HUD-assisted programs, for the year ended December 31, 2006.

Our procedures were limited to the applicable compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* issued by the U.S. Department of Housing and Urban Development, Office of Inspector General. Our procedures were substantially less in scope than an audit, the objective of which would be the expression of an opinion on the Pittsfield Charter Township Housing Commission's compliance with the Fair Housing and Non-Discrimination requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under the Guide.

This report is intended for the information of management, the Board of Commissioners, and the Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Respectfully,



Post, Smythe, Lutz and Ziel of Plymouth LLP
Certified Public Accountants